



# Bayer



## CropScience Analyst & Investor Days

September 5 - 6, 2005  
Lyon, France



# Bayer

## CropScience Analyst & Investor Days

**The New Bayer – Working to Create Value**

September 5 - 6, 2005  
Lyon, France

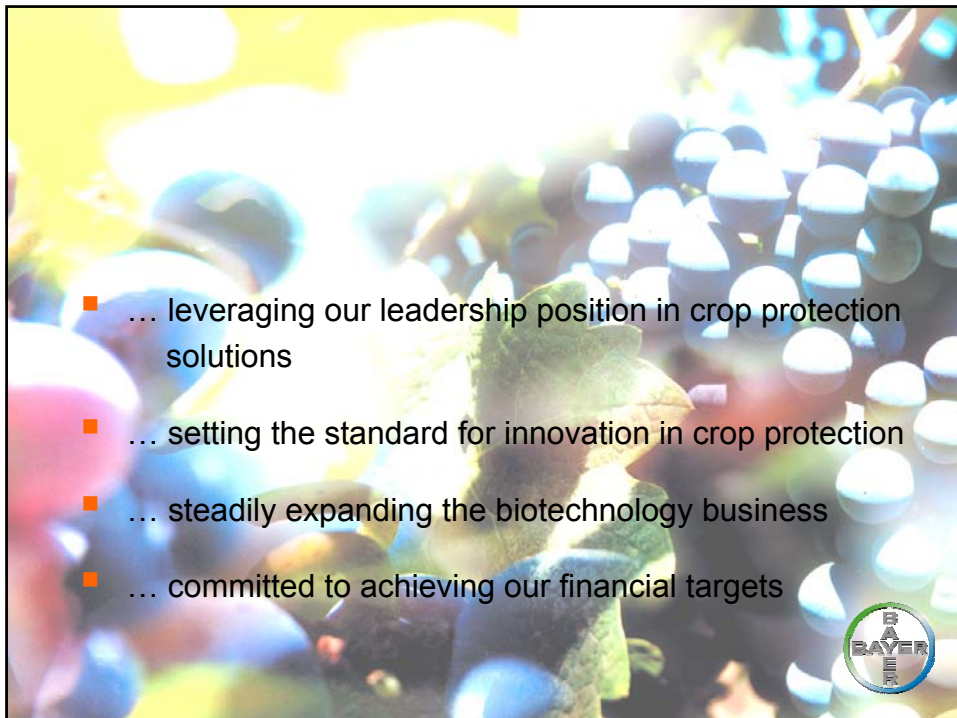
Werner Wenning  
Chairman of the Board of Management  
Bayer AG

## Forward-Looking Statements



This presentation contains forward-looking statements based on current assumptions and forecasts made by Bayer Group and Bayer CropScience AG management.

Various known and unknown risks, uncertainties and other factors could lead to material differences between the actual future results, financial situation, development or performance of Bayer CropScience AG or our parent company, Bayer AG, and the estimates given here. These factors include those discussed in Bayer AG's public reports filed with the Frankfurt Stock Exchange and with the U.S. Securities and Exchange Commission (including Bayer AG's Form 20-F). Neither Bayer AG nor Bayer CropScience AG assume any liability whatsoever to update these forward-looking statements or to conform them to future events or developments.



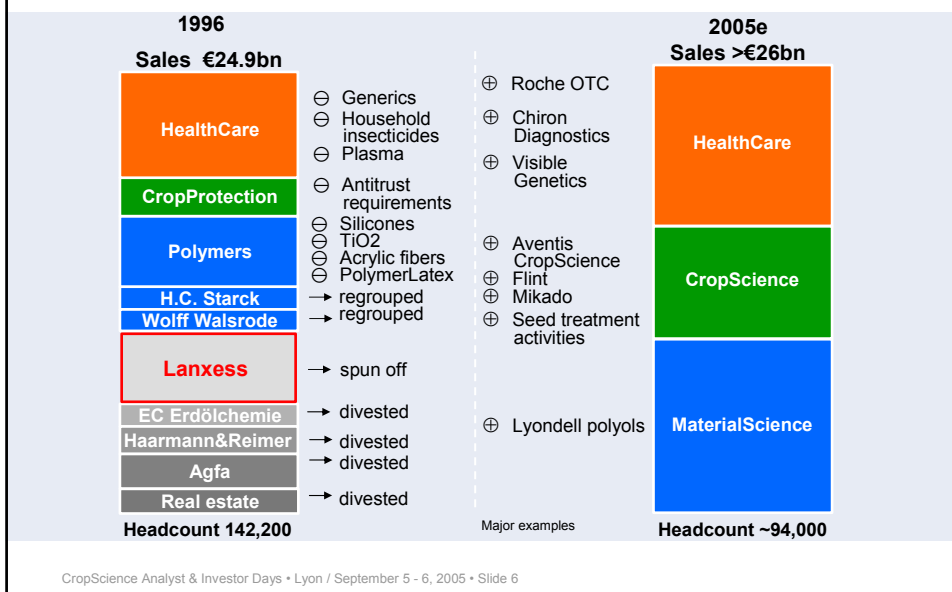
- ... leveraging our leadership position in crop protection solutions
- ... setting the standard for innovation in crop protection
- ... steadily expanding the biotechnology business
- ... committed to achieving our financial targets



- We are achieving or exceeding committed objectives
- We are exploiting the full commercial potential of our leadership positions
- We are developing future growth opportunities
- We are committed to generating value for our shareholders



## Bayer Has Focused the Portfolio on Growth and Innovation Driven Businesses

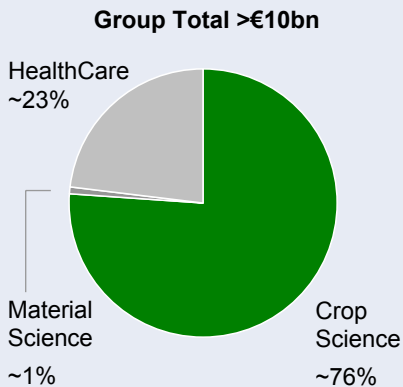


## Acquisitions Are Targeted to Expand The Life Science Share and to Provide New Growth Platforms



### Transaction volume 2002-2005

### Acquired Businesses



2002 Visible Genetics

**2002 Aventis CropScience**

2003 Polycarbonate Sheet

**2004 Gustafson (remaining 50%)**

2005 Roche Consumer Health

2005 Levitra Co-Promotion Rights ex-US\*

2005 Polythane Systems Inc.

Major examples

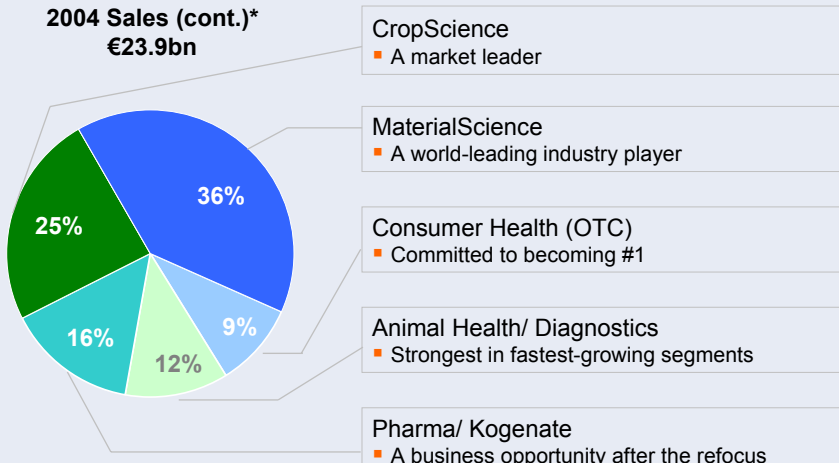
\*Termination of co-promotion agreement with GSK in most of the world outside of the United States

CropScience Analyst & Investor Days • Lyon / September 5 - 6, 2005 • Slide 7

## Bayer Has Become a Leader in Almost All of Its Markets



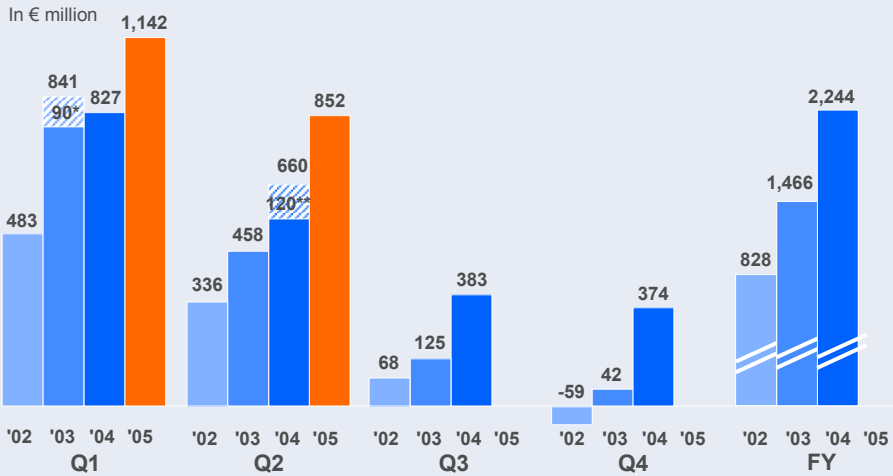
**2004 Sales (cont.)\*  
€23.9bn**



\*Excl. reconciliation, incl. €900m Roche OTC sales (pro forma)

CropScience Analyst & Investor Days • Lyon / September 5 - 6, 2005 • Slide 8

# Bayer Is Consistently Improving Performance



2002 underlying EBIT as reported in FY2003  
 2003 underlying EBIT as restated in 2004  
 2004 underlying EBIT as reported in 2004

\* Including €90m EBIT from divested products  
 \*\* Including €120m reversal of pension provisions

CropScience Analyst & Investor Days • Lyon / September 5 - 6, 2005 • Slide 9

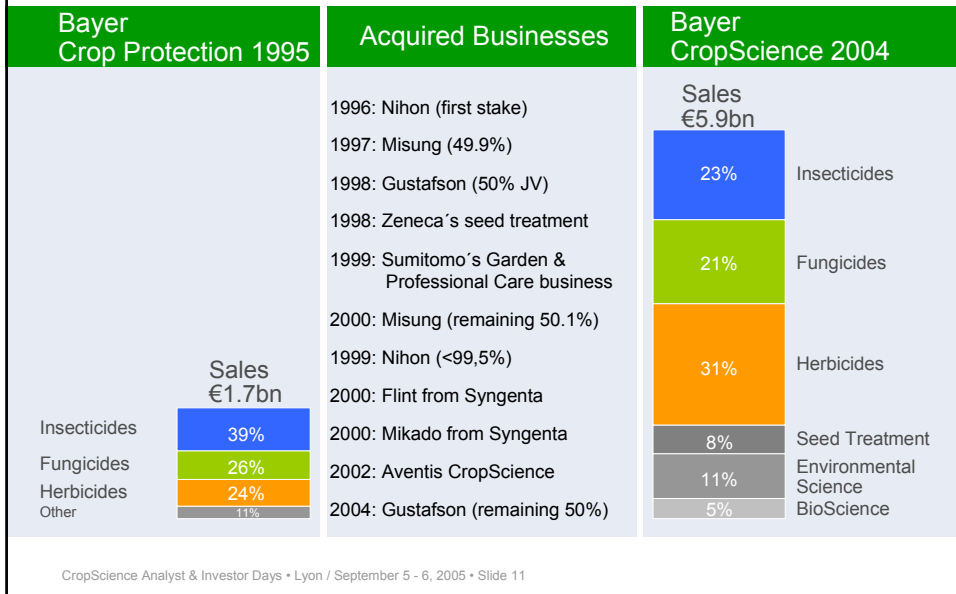
# Bayer Has Mastered The Industry Consolidation Challenge and Built a World-Leading Ag Business



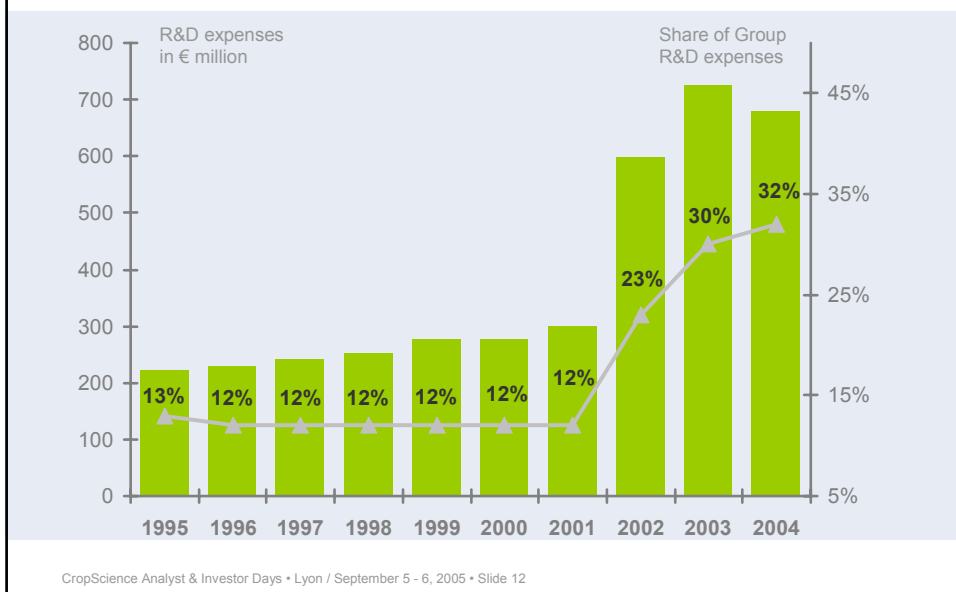
Ranking	1990 >US\$ 0.5 billion	1995 >US\$ 1.0 billion	2000 >US\$ 2.0 billion (incl. Seeds)	2004 >US\$ 3.0 billion (incl. Seeds)
1	Ciba Geigy	Ciba Geigy	Syngenta	Bayer CS
2	ICI	Zeneca	Monsanto	Syngenta
3	Bayer	AgrEvo	Aventis CS	Monsanto
4	Rhône-Poulenc	DuPont	DuPont	DuPont
5	DuPont	Bayer	BASF+AC	BASF
6	Monsanto	Monsanto	Bayer	Dow R&H
7	Dow Elanco	Am. Cyanamid	Dow	
8	Hoechst/Roussel	Rhône-Poulenc		
9	BASF	Dow Elanco		
10	Sandoz	BASF		
11	Schering	Sandoz		
12	Am. Cyanamid			
13	Shell			

CropScience Analyst & Investor Days • Lyon / September 5 - 6, 2005 • Slide 10

# Strategic Acquisitions Have Optimized Our Portfolio Strength and Balance



# Bayer Is Allocating One Third of Its R&D Resources to CropScience



# Agenda CropScience Analyst & Investor Days



## September 5, 2005

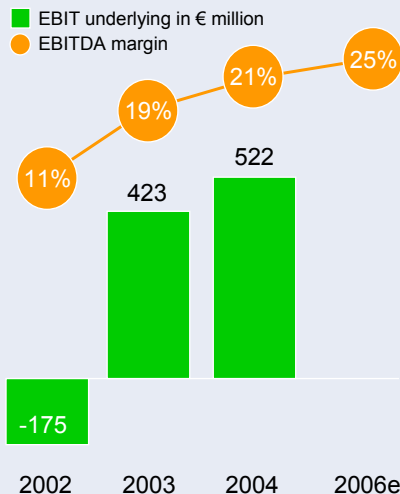
- 12:30 p.m. The New Bayer (Wenning)
  - Bayer CropScience Strategy (Berschauer)
  - Bayer CropScience Financials (Suwelack)
- 1:45 p.m. Discussion
- 2:15 p.m. Coffee Break
- 2:45 p.m. Bayer CropScience R&D (Garthoff)
  - Crop Protection Portfolio (Scheitza)
  - Discussion
- 5:00 p.m. Closing Remarks Day 1 (Berschauer)

## September 6, 2005

- 10:00 a.m. Bayer CropScience Regions (Du Puy)
  - BioScience (van der Broek)
- 12:00 noon Lunch
- 2:00 p.m. Environmental Science (Housset)
  - Discussion
- 4:15 p.m. Closing Remarks (Berschauer)



# We Remain Committed to Achieving Our 2006 Financial Target



- Powerful portfolio with strong presence in all major markets
- Market share gains during integration phase
- Product mix significantly improved
- Integration synergies of €500m realized by year end 2005
- Underlying EBIT improved by €700m by year end 2004

## The New Bayer – Achieving Benchmark Performance



- A portfolio of world-leading businesses
  - Strong and reliable earnings growth
  - High capital spending discipline
  - Significant new product opportunities
  - Clear targets, clear strategy, focused on implementation
- ▶ **Committed To Creating Value For Our Shareholders**

CropScience Analyst & Investor Days • Lyon / September 5 - 6, 2005 • Slide 15



# Bayer



**CropScience Analyst & Investor Days**

September 5 - 6, 2005  
Lyon, France